THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY): (a) and (b) Government considers various proposals for disinvestment in different Public Sector Undertakings from time to time, in accordance with the disinvestment policy of the Government.

Evaluation of Assets of Modern Foods

1109. SHRI VAYALAR RAVI: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether any evaluation of total assets including land and immovable property of the "Modern Foods" has been made before selling to Hindustan Lever;

(b) if so, the details thereof; and

(c) what advantages will be gained by Government by selling this huge institution with a natural network?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY): (a) Yes, Sir.

(b) The asset valuation done by the Government valuer pegged the market value including land, building and flats etc. at Rs. 109 crores. This value did not consider the restrictions / riders on the land use conditions imposed by the State Govenrments like its usage only for bakery and allied activities. The Plant & Machinery of the Company is more than 20—30 years old and its depreciated value as on 31.03.1999 is Rs.8.64 crores.

The valuation undertaken by the Global Advisor independently using four different methodogies are as under:

1. Discounted Cash flow—This method expresses the present value of the business as function of. its future case earning capacity. The value under this methodology is "negligible". ..
2. Transaction Multiple—This method takes into account value paid for the similar transaction in the industry and benchmarks it against parameters like sales, earnings etc. The value arrived under this methodology is Rs. 78.55 crores.

3. Balance sheet valuation—This method value the business on the basis of its assets. The valuation under this methodology is Rs. 28.51 crores.

4. Asset Valuer's Valuation—This method estimate the cost of replication of the tangible assets of the Company. The Valuation under this method works out to Rs. 68.18 crores.

As per the valuation done by the Global Advisor in accordance with the four different methodologies metioned above, MFTL was valued at a maximum value of Rs. 78.55 crores (for its 100% equity).

According to the balance sheet of the company as on 31.03.1999, the gross value was Rs. 38.76 crores and its net value was Rs. 18.99 crores.

(c) Through this disinvestment, the Government has fulfilled its policy of getting out of the non-core consumer goods sector while the company will be revived under better utilisation of Capital and higher management which will result in better realization of shareholder value.

Amount Collected through Disinvestment of PSUs

1110. SHRI JIBON ROY: Will the Minister of DISINVESTMENT be pleased to state:

(a) the amount collected by Government through Disinvestment of PSUs, unit-wise and the percentage of share unloaded unit-wise, till now; and

(b) the asset value of such PSUs, unit-wise and their present market value?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN JAITLEY): (a) Two statements indicating the amounts raised through disinvestment PSU-wise and percentage of disinvestment so far are given in the annexure *[see* Appendix 189 Annexure No. 39]

(b) The gross and net assets at book value of the PSUs are given in volume III of the Public Enterprises Survey 1997-98 laid in the Parliament on 26.2.99, which is published document. Information regarding market value of the PSUs is not maintained.